

Message Text

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63

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 EB-07

OMB-01 COME-00 TRSE-00 SAJ-01 /078 W

----- 000774

R 040942Z AUG 76

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 6585

INFO AMEMBASSY MOSCOW

AMCONSUL MUNICH

AMEMBASSY VIENNA

USMISSION USNATO BRUSSELS

UNCLAS BUDAPEST 2630

MUNICH FOR RFE

EO 11652: N/A

TAGS: ETRD EEWT HU

SUBJECT: HUNGARIAN SIX-MONTH TRADE RESULTS

1. IN VILAGGAZDASAG JULY 30 INTERVIEW FOREIGN TRADE
MINISTRY OFFICIAL LAJOS OSVATH REVEALED BROAD OUTLINE OF
FIRST HALF-YEAR TRADE RESULTS, WITHOUT GIVING COMPLETE
DETAILS.

2. HUNGARY'S RUBLE EXPORTS ROSE 9.8 PERCENT, IMPORTS
5.8 PERCENT AND AS RESULT RUBLE TRADE BALANCE IMPROVED
COMPARED WITH SIMILAR 1975 PERIOD. EMBASSY ESITMATES
RUBLE TRADE LOSS FOR FIRST SIX MONTHS AT ABOUT 130 MILLION
RUBLES. GLOSSING OVER RUBLE TRADE, OSVATH MERELY NOTED
THAT THE TERMS OF TRADE DEVELOPED QTE AS PLANNED UNQTE.

3. HUNGARY'S CONVERTIBLE CURRENCY EXPORTS ROSE ABOUT
3 PERCENT (\$26 MILLION) WHILE IMPORTS DECLINE 18.5
PERCENT (\$264 MILLION). ACCORDING TO OSVATH HUNGARY
IMPROVED ITS HARD CURRENCY TRADE BALANCE BY ABOUT \$290
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MILLION. THIS WOULD RESULT IN TRADE DEFICIT FOR FIRST

SIX MONTHS OF 1976 OF APPROXIMATELY \$233 MILLION.

4. OSVATH POINTED OUT THAT DECLINE IN VOLUME OF HARD CURRENCY IMPORTS RESTORES IMPORT LEVEL TO MORE NORMAL PATTERN FOLLOWING EXTRAORDINARILY HEAVY INVENTORY BUILDING AND UNFAVORABLE PRICE CHANGES IN EARLY 1975 (BUDAPEST 1683). IN ADDITION, THE TERMS OF TRADE (CONVERTIBLE CURRENCY) HAVE TURNED IN HUNGARY'S FAVOR: COMPARED WITH WHOLE-YEAR 1975 RESULTS, THE (DOLLAR) TERMS OF TRADE WERE 7 PERCENT BETTER DURING THE FIRST SIX MONTHS OF 1976.

5 HUNGARY'S FOREIGN TRADE SEEMS TO BE DEVELOPING ALONG LINES PREVIOUSLY REPORTED BY EMBASSY; RUBLE SITUATION IS NOT QUITE AS FAVORABLE AS MAGYARS HOPED. EMBASSY WILL FOLLOW-UP WITH DETAILS WHEN AVAILABLE. MUDD

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